

MEASURE U CITIZEN OVERSIGHT COMMITTEE

AGENDA

June 25, 2018

1:00 p.m.

City of Hemet – Council Chambers
450 E. Latham Avenue

Please silence all cell phones.

**Notice: Members of the Public attending shall comply with the City's adopted Rules of Decorum in Resolution No. 4545. A copy of the Rules of Decorum is available from the Clerk.*

1. Call to Order - Oversight Committee Members:

Chairperson Jeff Retmier, Resident
Vice Chairperson Marie McDonald, Resident
Richard Biber, Resident
Eric Gosch, Business Owner, Sphere of Influence
Suzanne Kozma, Sphere of Influence
Jim Lineburger, Resident
Robin Rickert, Resident

2. Pledge of Allegiance

3. Notice of Opportunity for Public Comment

Anyone who wishes to address the Oversight Committee regarding items not on the agenda may do so at this time. As a courtesy, please complete a Request to Speak Form, at the Clerk's Desk.

Submit your completed form to the Clerk prior to the beginning of the meeting. Presentations are limited to three minutes in consideration of others who are here for agenda items. Please come forward to the lectern when the Chairperson calls upon you. When you are recognized, you may proceed with your comments.

The Oversight Committee is prohibited from taking action or discussing any item not appearing on the agenda except for brief responses to statements made or questions posed by the public. In addition, they may, on their own initiative or in response to questions posed by the public, ask a question for clarification, provide a reference to staff or other resources for factual information, or request staff to report back to them at a subsequent meeting. Furthermore, a member of the Oversight Committee itself may take action to direct staff to place a matter of business on a future agenda.

4. Discussion/Action Items:

- A. Consideration of approval of minutes from June 19, 2018
By: Sarah McComas, City Clerk
Recommendation: Approve

- B. Public Safety Recruitment Update
By: Police Chief Webb and Fire Chief Brown
Discussion regarding this item

- C. FY 2018/19 Measure U Operating Budget and Calculation of General Fund Support Level for Public Safety
By: Finance Director Rocha/City Manager Parker
Recommendation: Review the proposed Measure U budget and direct staff to prepare a written report to the City Council

5. Committee Member Comments

6. Future Agenda Items

7. Next Meeting Date – To Be Determined

8. Adjournment

END

Staff reports and other disclosable public records related to the Oversight Committee meetings are available at the Clerk's Office at 445 E. Florida Avenue during normal business hours.

4.A

MEASURE U CITIZEN OVERSIGHT COMMITTEE

MINUTES

June 19, 2018

1:00 p.m.

Council Chambers
445 E. Florida Avenue

1. Call to Order - Oversight Committee Members:

Chairperson Retmier called the meeting to order at 1:03 p.m.

Committee Members Biber, Gosch, Kozma, Lineberger and Rickert, Vice Chairperson McDonald and Chairperson Retmier were present.

2. Pledge of Allegiance

Committee Member Gosch led the Pledge of Allegiance.

3. Notice of Opportunity for Public Comment

There were no public comments presented at this time.

4. Discussion/Action Items:

A. Consideration of approval of minutes from May 14, 2018

By: Sarah McComas, City Clerk

Recommendation: Approve

Committee Member Kozma moved and Vice Chairperson McDonald seconded a motion to approve this item as presented. Motion carried 7-0.

B. Public Safety Recruitment Update

By: Police Chief Webb and Fire Chief Brown

Discussion regarding this item

Chief Webb gave the Committee an update on the current staffing, recruitments and vacancies.

Chief Brown gave the Committee an update on the current staffing, recruitments and vacancies.

C. FY 2018/19 Measure U Operating Budget and Calculation of General Fund Support Level for Public Safety

By: Finance Director Rocha/City Manager Parker

Recommendation: Receive and File

City Manager Parker distributed a spreadsheet with alternatives to the proposed FY18/19 Measure U budget. City Manager Parker and the Committee discussed the handout and the proposed budget options.

Public Comments:

Howard Rosenthal, Hemet

Rob Davis, Hemet

Lori VanArsdale, Hemet

David Prieto, President of Hemet Fire Fighters Association

The Committee and staff continued discussion regarding the proposed budget options.

Committee Member Gosch moved and Vice Chairperson McDonald seconded a motion to direct staff to prepare a letter from the Committee to the City Council recommending that increases in compensation for non-Measure U public safety personnel be paid from the City's General Fund and not with Measure U Funds, to be signed by Vice Chairperson McDonald and Chairperson Retmier. Motion carried 7-0.

5. Committee Member Comments

Committee Member Biber expressed concern with a recent article in the Valley Chronicle.

Vice Chairperson McDonald suggested a response be prepared and published in the Valley Chronicle.

6. Future Agenda Items

The proposed Measure U budget.

7. Next Meeting Date

The next meeting will be held on June 25, 2018 at 1:00 p.m.

8. Adjournment

Committee Member Biber moved and Vice Chairperson McDonald seconded a motion to adjourn at 2:54 p.m. Motion carried 7-0.



Staff Report

TO: Members of the Measure U Citizen Oversight Committee

FROM: Allen Parker, City Manager
Lorena Rocha, Finance Director

DATE: June 25, 2018

RE: FY 2018-19 Measure U Operating Budget and Calculation of General Fund Support Level for Public Safety

RECOMMENDED ACTION:

1. Review the proposed Measure U Budget and direct staff to prepare a written report to the City Council

BACKGROUND:

The Hemet City Council adopted Resolution No. 4703 on August 23, 2016. The Resolution confirmed the intent of the City to expend all proceeds of the Measure U transactions and use tax for public safety services. Contained within the Resolution is a provision that the City maintain the general fund level of support prior to the adoption of Measure U which was calculated to be, on average, 72% of the total general fund expenditure budget. In December, 2016, the current City Council adopted Resolution No. 4731 reaffirming the Council's intention to expend Measure U proceeds for enhancement of Public Safety Services.

Fiscal Year 2018-19 General Fund Operating Budget

Council workshops were held on May 24th, May 29th and most recently, June 12, 2018 to discuss budget submissions and the \$3.5 million structural deficit in the General Fund. Several factors have contributed to the deficit. The major factors include a rise in pension costs and the MOU increases for Public Safety. For FY18/19, the City's CalPERS payment obligation increased by over \$1.6 million. Public Safety makes up more than half of that increase. The increase in cost to the General Fund from the Public Safety MOUs make up another \$1.7 million of the deficit. While we are seeing continued signs of economic growth, the expenditures are outpacing revenues.

The City Manager has made recommendations to Council to eliminate the structural deficit. These recommendations include paying the General Fund portion of Public Safety increases of \$2 million out of Measure U. This amount is the surplus of Measure U revenue projected for Fiscal Years 2017-18 and 2018-19, \$1 million in each year. The City Attorney has confirmed that use of Measure U for this purpose is well within the provisions of Resolution 4731.

On the revenue side, Measure U revenues continue to track higher than the original estimates of \$10 million. Actual receipts of the Measure U transaction tax are comparable to the General Bradley Burns 1% Sales Tax. Based on this information, the Finance Department is comfortable

with projecting Measure U Sales Tax for FY18/19 at \$11.2 million. This increase in revenue would assist in offsetting the additional cost related to the Public Safety increases.

Preliminary budgets for Public Safety (non-Measure U) total \$26,881,705 and the total of all general fund budget submissions is \$36,538,210. Public safety preliminary budget amounts comprise 74% of the total estimated budget for fiscal year 2018-19, well in excess of the minimum 72% required under Resolution No. 4731.

Measure U Revenues are projected at \$11,200,000 while expenditures are projected at \$10,043,900.

Respectfully submitted,



for
Allen Parker
City Manager



Lorena Rocha
Finance Director

Attachment(s):

Fiscal Year 2018-2019 Measure U Expenditures Budget detail

City of Hemet
2018/2019 ANNUAL BUDGET

110 GENERAL
3101 POLICE DEPARTMENT - MEASURE U

<u>Account Number</u>	<u>2016 Actuals</u>	<u>2017 Actuals</u>	<u>2018 Council Approved</u>	<u>2019 CM Recommended</u>
1100 SALARIES & WAGES	0	178,008	2,073,100	2,901,800
1200 SALARIES PART TIME	0	0	46,400	46,900
1300 SALARIES OVERTIME	0	5,202	158,800	158,800
1305 COMP TIME USED	0	542	0	0
1310 COMP TIME PAID	0	1,843	0	0
1400 OTHER FRINGE BENEFITS	0	12,554	55,800	79,200
1405 PERS Pension	0	88,633	860,600	1,324,700
1410 HEALTH PLANS	0	36,978	349,100	443,000
1415 WORKERS COMP CONTRIBUTION	0	0	522,400	388,500
1420 Special Pav	0	8,256	94,500	666,200
1425 PTO + Holiday	0	5,474	87,000	120,100
Total SALARIES & FRINGE BENEFITS	0	337,490	4,247,700	6,129,200
2200 TELEPHONE/COMMUNICATIONS	0	0	20,000	20,000
2250 OFFICE SUPPLIES AND MATERIALS	0	0	15,000	15,000
2400 CONTRACTS & LEASES	0	0	5,000	5,000
2560 TRAINING & EDUCATION	0	7,660	120,000	120,000
2623 VEHICLE FUEL	0	0	54,000	78,600
2700 UNIFORMS AND SAFETY EQUIPMENT	0	127,780	89,600	89,600
2710 PROFESSIONAL/SPECIALIZED SERV	0	13,459	252,000	252,000
Total OPERATING SUPPLIES & SERVICES	0	148,899	555,600	580,200
3600 EQUIPMENT REPLACEMENT	0	0	66,000	48,600
3612 CITY ATTORNEY	0	0	138,100	0
3616 LIABILITY INSURANCE	0	0	98,500	92,900
3622 VEHICLE MAINT & REPAIRS	0	0	0	7,700
Total INTERNAL SERVICE CHARGES	0	0	302,600	149,200
5400 MAJOR MACHINERY AND EQUIPMENT	0	6,551	591,000	591,000
Total CAPITAL OUTLAY	0	6,551	591,000	591,000
Total POLICE DEPARTMENT - MEASURE U	0	492,940	5,696,900	7,449,600

City of Hemet
2018/2019 ANNUAL BUDGET

06/21/2018 9:42PM

110 GENERAL
3240 FIRE DEPARTMENT - MEASURE U

<u>Account Number</u>	<u>2016</u> <u>Actuals</u>	<u>2017</u> <u>Actuals</u>	<u>2018 Council</u> <u>Approved</u>	<u>2019 CM</u> <u>Recommended</u>
1100 SALARIES & WAGES	0	35,297	443,400	1,056,200
1200 SALARIES PART TIME	0	4,993	15,200	15,200
1300 SALARIES OVERTIME	0	2,082	229,300	229,300
1400 OTHER FRINGE BENEFITS	0	2,044	12,600	24,400
1405 PERS Pension	0	10,216	191,700	485,100
1410 HEALTH PLANS	0	11,047	67,700	167,800
1415 WORKERS COMP CONTRIBUTION	0	0	184,200	124,200
1420 Special Pav	0	1,900	37,700	323,000
1425 PTO + Holiday	0	0	15,800	27,100
Total SALARIES & FRINGE BENEFITS	0	67,579	1,197,600	2,452,300
2220 ADVERTISING AND PUBLICATIONS	0	867	0	0
2700 UNIFORMS AND SAFETY EQUIPMENT	0	5,642	0	52,000
2710 PROFESSIONAL/SPECIALIZED SERV	0	37,440	37,400	37,400
Total OPERATING SUPPLIES & SERVICES	0	43,949	37,400	89,400
3600 EQUIPMENT REPLACEMENT	0	0	0	10,000
3612 CITY ATTORNEY	0	0	46,500	0
3616 LIABILITY INSURANCE	0	0	33,200	31,000
Total INTERNAL SERVICE CHARGES	0	0	79,700	41,000
5400 MAJOR MACHINERY AND EQUIPMENT	0	57,093	0	11,600
Total CAPITAL OUTLAY	0	57,093	0	11,600
Total FIRE DEPARTMENT - MEASURE U	0	168,621	1,314,700	2,594,300